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Hearing Date: January 31, 2007 at 10:00 a.m.

Attorneys for NXP Semiconductors USA, Inc.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re	: Chapter 11
	:
DELPHI CORPORATION, <u>et al.</u> ,	: Case No. 05-44481 (RDD)
	:
	:
Debtors.	:
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**NXP SEMICONDUCTORS USA, INC.'S SUPPLEMENTAL RESPONSE
TO THE DEBTORS' NINETEENTH OMNIBUS OBJECTION**

NXP Semiconductors USA Inc. ("NXP"), by its undersigned attorneys,

Kirkpatrick & Lockhart Preston Gates Ellis LLP, respectfully submits this supplemental response (this "Supplemental Response") in objection to the modification of Claim No. 14347 (the "Claim") against Delphi Corporation, et al. (the "Debtors"), and in opposition to the Debtors' Nineteenth Omnibus Objection to certain: (A) Insufficiently Documented Claims, (B) Claims Not Reflected On Debtors' Books And Records, (C) Untimely Claim, and (D) Claims Subject To Modification, Tax Claims Subject To Modification, Modified Claims Asserting Reclamation, And Consensually Modified and Reduced Claims (the "Objection"), as well as to the Debtors Statement of Disputed Issues with Respect to Proof of Claim Number 15347 (Philips Semiconductors, Inc./NXP Semiconductors USA, Inc./SPCP Group, L.L.C.) (the "Statement"), stating as follows:

FACTUAL BACKGROUND

1. On October 8, 2005 (the "Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of the United States Bankruptcy Code (11 U.S.C. §§ 101 et seq.) in the United States Bankruptcy Court for the Southern District of New York.

2. Prior to the Petition Date, NXP provided goods to the Debtors.

3. On April 12, 2006, this Court entered an Order Under 11 U.S.C. §§ 107(b), 501, 502, and 1111(a) and Fed. R. Bankr. P. 1009, 2002(a)(7), 3003(c)(3), and 5005(a) Establishing Bar Dates For Filing Proofs of Claim And Approving Form And Manner Of Notice Thereof establishing July 31, 2006 (the "Bar Date") as the last date for all persons and entities to file proof of claims.

4. On the Bar Date, NXP filed Proof of Claim No. 14347 in the amount of \$5,486,881.18, a general unsecured pre-petition claim for goods sold to the Debtors. A copy of Proof of Claim No. 14347 is annexed hereto as Exhibit A.

5. The Debtors and NXP entered into an Amended Statement of Reclamation (the "Amended Statement of Reclamation") on July 27, 2006, wherein a reconciled reclamation claim amount of \$194,274.52 (the "Reclamation Amount") was agreed to by both parties.

6. On July 13, 2007, the Debtors filed their Objection to NXP's Claim. In their Objection, the Debtors (a) objected to the amount, classification, and/or identity of the Debtor for the modified claims asserting reclamation and (b) sought an order modifying the reclamation claims to reflect the total classification listed in Exhibit D-3 to the Debtors' Objection and/or the identity of the Debtor against which the claim should be asserted. A copy of the relevant portion of Exhibit D-3 to the Debtor's Objection is annexed hereto as Exhibit B.

7. Pursuant to the Amended Statement of Reclamation, the Debtors reclassified \$194,274.52 of NXP's Claim as a priority claim in the Debtors' Objection.

8. In Exhibit D-3 to the Debtors Objection, the Debtors modified the remaining unsecured claim amount to \$4,977,451.40 (the "Modified Amount"), thus leaving a \$315,155.26 difference between the unsecured amount claimed by NXP in its Proof of Claim No. 14347 and the Modified Amount listed by the Debtors in their Objection (after accounting for the reclassification of the Reclamation Amount) (the "Disputed Amount").

9. On or about August 8, 2007, NXP filed with the Court its initial response to the Debtor's Objection (the "Response"), asserting that, as of the date of the Response, the Claim was undergoing a reconciliation process (the "Reconciliation Process"). The Response further asserted that on July 16, 2007, NXP sent Excel spreadsheets matching bill of lading numbers to the corresponding invoice numbers to Thomas Soyars, a Delphi Proof of Claim Analyst ("Soyars"). A letter evidencing this process (the "Reconciliation Letter") is annexed hereto at Exhibit C. The Response further asserted that, as of the date of the Response, the Debtors were reconciling NXP's records of the claim with the Debtors' records of the claim, and although NXP had attempted to contact Soyars prior to the filing of the Response, NXP had not heard a response to the Reconciliation Letter from the Debtors as of the date of the Response. The Response further asserted that the Debtors' Objection should be overruled because NXP possesses documentation to support and verify a claim amounting to \$5,292,606.66, the total amount of NXP's Claim after deducting the Reclamation Amount. The Response further asserted that the Debtors' Objection should also be overruled because a modification of the unsecured claim amount was premature while the Reconciliation Process was not yet complete,

and that NXP expected that once the Reconciliation Process was completed, the Disputed Amount would be accounted for.

10. On or about December 4, 2007, the Debtors filed the Statement.

11. The Statement sets forth two bases for disputing portions of NXP's Claim. These bases are (i) pricing discrepancies between NXP's invoices and the Debtors' purchase orders, and (ii) the Debtors' inability to match NXP's proof of claim to the Debtors' books and records.

12. As of the date of this Supplemental Response, the Debtors and NXP are continuing to work collaboratively to reconcile the Debtors' records of the claim with NXP's records of the claim with respect to the Disputed Amount. NXP has used its best efforts to provide, and will continue to provide, the documentation necessary to assist the Debtors in the Reconciliation Process. NXP continues to expect that the Reconciliation Process will likely resolve most of the issues raised by the Debtors in the Objection and Statement.

13. Notwithstanding the results of the Reconciliation Process, NXP possesses documentation which supports and verifies a claim in the amount of \$5,292,606.66, the total amount of NXP's Claim after deducting the Reclamation Amount, and including the Disputed Amount. Such documentation is attached hereto as Exhibit D. A portion of the documentation attached as Exhibit D consists of a summary of other documentation (including over 2500 invoices) that is too voluminous to be included as part of Exhibit D. This documentation is available upon request.

**THE DEBTORS' CLAIM OBJECTION SHOULD BE OVERRULED
WITH RESPECT TO NXP'S CLAIM (CLAIM NO. 14347)**

14. The Debtors' Objection should be overruled because NXP possesses documentation to support and verify a claim amounting to \$5,292,606.66, the total amount of

NXP's Claim after deducting the Reclamation Amount, and including the Disputed Amount. The Debtors' mere assertion that the Debtors are unable to match the items listed in NXP's Claim with the Debtors' books and records does not dispute the fact that NXP possesses documentation to support its Claim and, moreover, does not rebut the presumption of validity of NXP's Claim.

15. The Debtors' Objection should also be overruled because a modification of the unsecured claim amount is premature while the Reconciliation Process is not yet complete. NXP expects that once the Reconciliation Process is complete, most of the issues raised by the Debtors in the Objection and Statement will likely be resolved.

APPLICABLE LEGAL AUTHORITY

16. NXP's properly executed and filed proof of claim constitutes prima facie evidence of the validity and amount of NXP's Claim. Rule 3001(f) of the Federal Rules of Bankruptcy Procedure. The Debtors bear the burden of producing sufficient evidence to rebut the presumption of validity by refuting one or more of the facts set forth in the proof of claim. In *re Allegheny Int'l Inc.*, 954 F.2d 167, 173 (3d Cir. 1992). An objection alone is insufficient to contest a proof of claim; the objection must contain "probative evidence to call a claim into question." *In re King Resources Co.*, 20 B.R. 191, 197 (D. Colo. 1982).

17. The Debtors' Objection and Statement provide no facts sufficient to rebut the presumption of validity of NXP's Claim. The Objection and Statement fail to contain any probative evidence to support the specific objections to portions of NXP's Claim. In contrast to the procedures outlined in the Claims Objection Procedures Order (as defined the Debtors' Statement), the Statement did not contain documentation supporting its representations in the Statement and the Objection. The conclusory, unsupported statements made in the Objection and Statement are not sufficient to rebut the validity of the Claim.

RESERVATION OF RIGHTS

18. This Supplemental Response is submitted pursuant to paragraphs 9(e) and 9(k) of the Order Pursuant to 11 U.S.C. § 502(b) and Fed. R. Bankr. P. 2002(m), 3007, 7016, 7026, 9006, 9007 and 9014 Establishing (I) Dates for Hearings Regarding Objections to Claims and (II) Certain Notices and Procedures Governing Objections to Claims (the “Claims Objection Procedures Order”). Consistent therewith, NXP reserves its right to amend this Supplemental Response. Further, NXP reserves the right to file supplemental affidavits and exhibits to support its Claim, the Response and this Supplemental Response.

WHEREFORE, NXP respectfully requests that the Court enter an Order overruling the Debtor's Nineteenth Omnibus Claim Objection insofar as it relates to NXP's Claim (Claim No. 14347), allowing the full remaining amount of the unsecured claim, \$5,292,606.66, the total amount of NXP's Claim after deducting the Reclamation Amount, and including the Disputed Amount, and granting such other and further relief as this Court deems just and proper.

Dated: New York, New York
January 3, 2008

Respectfully submitted,

KIRKPATRICK & LOCKHART
PRESTON GATES ELLIS LLP

By: 

Robert N. Michaelson (RM-5925)

A Member of the Firm

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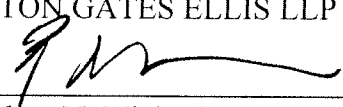
**CERTIFICATE OF COUNSEL REGARDING EXHIBITS TO NXP
SEMICONDUCTORS USA, INC.'S SUPPLEMENTAL RESPONSE
TO THE DEBTORS' NINETEENTH OMNIBUS OBJECTION**

1. I am a member of the law firm Kirkpatrick & Lockhart Preston Gates Ellis LLP, counsel to NXP Semiconductors USA, Inc ("NXP"). I have been admitted to practice in the United States Bankruptcy Court for the Southern District of New York. I offer this Certificate in support of NXP's Supplemental Response to the Debtors' Nineteenth Omnibus Objection (the "Supplemental Response"), to which this Certificate is attached.
2. All documents submitted as Exhibits to the Supplemental Response are true and correct copies thereof.

Dated: New York, New York
January 3, 2008

Respectfully submitted,

KIRKPATRICK & LOCKHART
PRESTON GATES ELLIS LLP

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